

**ANNUAL DISCLOSURE REPORT**  
**CITY OF RIVERSIDE**  
**PUBLIC UTILITIES DEPARTMENT**

**FISCAL YEAR ENDING JUNE 30, 2022**

<b>Series</b>	<b>Dated</b>	<b>CUSIP Numbers</b>
<b>WATER REVENUE/REFUNDING BONDS, ISSUE OF 2009A (TAX EXEMPT)</b>	<b>12/22/2009</b>	<b>769076TH3 through 769076UB4</b>
<b>WATER REVENUE BONDS, ISSUE OF 2009B (FEDERALLY TAXABLE – BUILD AMERICA BONDS)</b>	<b>12/22/2009</b>	<b>769076UC2 through 769076UG3</b>
<b>VARIABLE RATE REFUNDING WATER REVENUE BONDS, ISSUE OF 2011A</b>	<b>5/26/2011</b>	<b>769076UH1</b>
<b>WATER REVENUE REFUNDING BONDS, ISSUE OF 2019A</b>	<b>2/26/2019</b>	<b>769076UJ7 through 769076VF4</b>
<b>WATER REVENUE BONDS, ISSUE OF 2022A</b>	<b>12/01/2022</b>	<b>769076VG2 through 769076WB2</b>

Prepared by  
City of Riverside

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March 17, 2023

**Fiscal Year 2022 Annual Report for the City of Riverside's:**

- Water Revenue/Refunding Bonds, Issue of 2009A (Tax Exempt) (the “2009A Bonds”)
- Water Revenue Bonds, Issue of 2009B (Federally Taxable – Build America Bonds) (the “2009B Bonds”)
- Variable Rate Refunding Water Revenue Bonds, Issue of 2011A (the “2011A Bonds”)
- Water Revenue Refunding Bonds, Issue of 2019A (the “2019A Bonds”)
- Water Revenue Bonds, Issue of 2022A (the “2022A Bonds”)

**As required by the continuing disclosure certificates executed and delivered by the City of Riverside (the “City”) relating to the above-referenced bonds, the City provides the following:**

**Audited Financial Statements:** Included by reference is the City of Riverside Annual Comprehensive Financial Report (ACFR) and the Public Utilities Financial Report for the year ending June 30, 2022, which includes the audited financial statements for both the City of Riverside and the City’s Water Utility/Water System, prepared in accordance with generally accepted accounting principles. The City’s ACFR was submitted to the Municipal Securities Rulemaking Board’s Electronic Municipal Access System (“EMMA”) on January 30, 2023 and can be found at <https://emma.msrb.org/P21651871-P21271315-P21698451.pdf>. The Public Utilities Financial Report was submitted on March 9, 2023 and can be found at <https://emma.msrb.org/P21674919-P21288890-P21718543.pdf>.

**Principal amount of the bonds outstanding as of the end of the immediately preceding Fiscal Year:**

Series	Principal Outstanding
Fiscal Year Ended June 30, 2022	
2009A Bonds	0
2009B Bonds	65,315,000
2011A Bonds	24,050,000
2019A Bonds	102,825,000
2022A Bonds	0

**Updated information comparable to the information in the table entitled “Water System General Statistics” as it appears in the Official Statement:**

<b>WATER SYSTEM GENERAL STATISTICS</b>	
<b>Fiscal Year Ended June 30, 2022</b>	
Service Connections Billed	66,372
<b>Annual Potable Urban Water Production<sup>(1)</sup></b>	
Local Groundwater Wells	23,775
Purchased from WMWD	-
<b>Total Annual Water Production</b>	<b>23,775</b>
Peak Daily Distribution <sup>(2)</sup>	82.7
Average Daily Production <sup>(2)(3)</sup>	64.6

(1) In millions of gallons at the entry point to the distribution system; includes retail sales, wholesale sales, and wheeled water.  
(2) In millions of gallons per day at the entry point to the distribution system; includes retail sales, wholesale sales, and wheeled water.  
(3) Refers to average daily distribution at the entry point to the distribution system.

**Updated information comparable to the information in the table entitled “Number of Meters” / “Number of Metered Customers Billed” as it appears in the Official Statement:**

<b>NUMBER OF METERS/ METERED CUSTOMERS BILLED</b>	
<b>Fiscal Year Ended June 30, 2022</b>	
Residential	59,876
Commercial/Industrial	6,153
Other	343
<b>Total - All Classes</b>	<b>66,372</b>

**Updated information comparable to the information in the table entitled “Water Sales and Distribution” as it appears in the Official Statement:**

<b>WATER SALES AND DISTRIBUTION</b>	
<b>Fiscal Year Ended June 30, 2022</b>	
Retail Water Sales <sup>(1) (2)</sup>	19,808
Average Daily Production <sup>(2) (3)</sup>	64.6
Maximum Day Distribution <sup>(1)(2)</sup>	82.7
Average Daily Sales per Meter (In Gallons)	818

(1) Retail water sales to Water System customers only. Excludes wholesale sales and wheeled water.  
(2) In millions of gallons.  
(3) Includes retail sales, wholesale sales, and wheeled water.

**Updated information comparable to the information in the table entitled “Historical Summary of Operations and Debt Service Coverage” as it appears in the Official Statement:**

**HISTORICAL SUMMARY OF OPERATIONS AND DEBT SERVICE COVERAGE**  
**For Fiscal Year Ended June 30, 2022**  
**(Dollars in Thousands)**

**Operating Revenues**

Water Sales:

Residential	\$ 45,784
Commercial	24,635
Other sales	2,446

Water Conveyance	3,572
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Other Operating Revenues <sup>(1)</sup>	2,685
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Total Operating Revenues	79,122
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Investment Income	61
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Contributions in Aid <sup>(2)</sup>	3,590
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Non-Operating Revenues	2,391
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Total Revenues	\$ 85,164
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**Operating and Maintenance Expenses <sup>(3)</sup>**

Operations and Maintenance	\$ 40,314
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Purchased Energy	6,863
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Total Operating and Maintenance Expenses <sup>(4)</sup>	\$ 47,177
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Net Operating Revenues Available for Debt Service and Depreciation	\$ 37,987
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Debt Service Requirements Including BAB Subsidy <sup>(5)</sup>	\$ 17,069
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Debt Service Requirements Excluding BAB Subsidy <sup>(5)</sup>	\$ 18,446
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Debt Service Coverage Ratio Including BAB Subsidy	2.23x
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Debt Service Coverage Ratio Excluding BAB Subsidy	2.13x
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(1) Net of uncollectibles.

(2) Contributions in Aid reflect cash collections from a combination of connection fees by developers and grant funded projects.

(3) Includes field operations, production and operations and engineering operating expenses.

(4) Excludes GASB 68 Accounting and Financial Reporting for Pension non-cash adjustments of (\$4,891). GASB Statement No. 68 became effective July 1, 2014. Excludes GASB 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions non-cash adjustments of \$210. GASB Statement No. 75 became effective July 1, 2017.

(5) Includes 2020 Series A Pension Obligation Bonds (POBs) issued by the City of Riverside which are a direct obligation of the City. Although the POBs are not a direct obligation of RPU, a portion of the Debt Service is allocated to RPU. The RPU portion of the POB debt service is paid after the payment of its Electric and Water System Revenue Bonds.

(6) Includes GASB 87 Leases net adjustment of \$708 for June 30, 2022. Effective July 1, 2021, the Water Utility adopted GASB's No. 87 – Leases (“GASB-87”). The Water Utility considered restatement of net position impractical, as a result there was no impact to the beginning net position upon adoption of GASB-87.

**With respect to the 2009A Bonds and 2009B Bonds, a description of any Additional Bonds and Parity Debt issued during the immediately preceding fiscal year:**

During Fiscal Year 2022, the City of Riverside issued the 2022A Water Revenue Bonds.

**EVENT FILINGS**

On February 10, 2022, S&P Global Ratings downgraded its rating of the 2009B, 2011A, and 2019A Water Revenue Bonds issued by the City of Riverside, CA from AAA (negative watch) to AA+ (stable). As such, the City posted a Material Events Notice to the MSRB Central Repository which can be found at <https://emma.msrb.org/P11563015-P11206698-P11626098.pdf>.

***Subsequent Events***

On February 6, 2023, the City of Riverside was served with a Complaint for Validation in relation to the 2022A Water Revenue Bonds. The Complaint seeks an order: (i) declaring invalid the City's resolution pursuant to which the 2022A Water Revenue Bonds were authorized; and (ii) declaring that the application of water system revenues to pay unfunded pension liabilities of retired water system employees is impermissible. The City disputes the allegations in the Complaint and intends to vigorously defend its position. As such, the City posted a Voluntary Notice Regarding Pending Litigation relating to the Complaint to the MSRB Central Repository which can be found at <https://emma.msrb.org/P21657524-P21275664-P21703369.pdf>.